

# Group C

## Provision of financial, technological and capacity building support

3<sup>rd</sup> BRs and NCs Lead Reviewers Meeting



## Outline of presentation

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- Objective and Approach
- Guideline(s)
- Issues for discussion
- Examples
- Proposed Review approach



## Objective and Approach

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- In-depth discussion of the seven issues presented yesterday
- Issues will be discussed in order of the RPG
- Fine tuning of proposed approaches



## Financial Support – Issue 1

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**Guideline:** The BR and NC reporting guidelines stipulate that non-Annex II Parties do not have an obligation to report on the provision on financial, technological and capacity-building support to developing country Parties.

How to review information on financial support provided by non-Annex II Parties?



TRR. 1 Slovakia: “The ERT assessed this information and its findings are reflected in this report. The ERT commends Slovakia for reporting this information.”



TRR.1 Latvia: “The ERT noted that Latvia reported in its BR1 information on the provision of financial resources and capacity-building support, and commends the Party for providing this information. The ERT assessed this information and its findings are reflected in this report.”



## Financial Support – Issue 1 – Proposed Review Approach

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*If information on the provision of financial support is provided by a non-Annex II Party, it should be treated as information provided on a voluntary basis.*

The ERT should review and note the information provided by the non-Annex II Party on the provision of financial support. The ERT should not provide a recommendation or an encouragement as this information was provided on a voluntary basis. The ERT can commend the Party for reporting this information and suggest that the Party continue reporting in its subsequent submissions.



## Financial Support – Issue 2

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**Guideline:** It is a mandatory reporting requirement for Parties to fill out the BR CTF tables or provide explanations for the missing data, including financial tables 7, 7a, and 7b. This includes the provision for all Parties to provide financial information in the BR CTF in the **same currency (USD)**, which ensures the comparability and the transparency of the information provided.

Can external sources be used to fill in the gaps in reporting of financial information?



TRR. 1 Belgium: “The ERT noted that Belgium did not provide the financial information in CTF tables 7, 7(a) and 7(b) in United States dollars as required by the UNFCCC reporting guidelines on BRs. The ERT recommends that Belgium provide this information in the next BR.”



## Financial Support – Issue 2 – Proposed Review Approach

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If a Party fails to provide financial information in USD, the ERT should reflect in the TRR the financial information in the currency reported by the Party, noting that the Party did not provide financial information in USD. The ERT should also include in the TRR any explanations provided by the Party either during the review or in the BR with regard to the currency used for reporting financial information.

The ERT should include a “recommendation” that the Party provide the requested information in the BR CTF in USD or a duly substantiated explanation for the observed gaps/inconsistencies in the next BR/CTF. While seeking to fill the reporting gap, the ERT **should not** convert the data reported in the BR in a Party’s national currency to USD using publically available exchange rates. The ERT should rather inform the Party on where such information is available and see this as a capacity building/knowledge sharing opportunity.

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## Financial Support – Issue 3

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**Guideline**: According to decision 15/CMP.1, “any Party included in Annex I that has provided funding for the Adaptation Fund <...> shall report on its financial contributions to this fund”.

How should the ERT formulate its findings if a Party does not report on its contribution to the Adaptation Fund?





## Financial Support – Issue 3 – Proposed Review Approach

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If a KP Party has made a contribution to the Adaptation Fund, it shall report on that in its NC. If a Party did not report information on such a contribution, the ERT should reflect this in the review report and provide a relevant recommendation.

If a KP Party has not made any contribution to the Adaptation Fund, it cannot be expected to report on it. The ERT **should not** then provide a recommendation or encouragement on this issue.

## Financial Support – Issue 4

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**Guideline:** The BR reporting guidelines state that: “Each Annex II Party shall describe, **to the extent possible**, how it seeks to ensure that the resources it provides **effectively** address the needs of non-Annex I Parties with regard to climate change adaptation and mitigation”.

### How to assess effectiveness of the provision of resources?



TRR1 Iceland: “Iceland’s BR1 does not include some of the information required by the UNFCCC reporting guidelines on BRs, namely:...how it seeks to ensure that the resources it provides effectively address the needs of non-Annex I Parties with regard to climate change adaptation and mitigation...The ERT recommends that Iceland provide in its next BR information on how it seeks to ensure that the resources it provides effectively address the needs of non-Annex I Parties with regard to climate change adaptation and mitigation.”



## Financial Support – Issue 4 – Proposed Review Approach

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If the Party has neither reported the information nor provided explanations for not reporting or partially reporting, then this should lead to a recommendation by the ERT that reflects the language of the reporting requirement (e.g. "The ERT recommends that..., to the extent possible").

The ERTs can continue to exercise flexibility with regard to the notion of “effectiveness” encompassed in the reporting requirement.

The ERTs should highlight any information provided by the Parties which showcases, in a meaningful way, the effectiveness of the resources provided in addressing developing countries’ needs.



## Capacity Building - Issue 5

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**Guideline:** The BR reporting guidelines state that: “Each Annex II Party shall provide information, to the extent possible, on how it has provided capacity-building support that responds to the existing and emerging capacity building needs identified by non-Annex I Parties in the areas of mitigation, adaptation, and technology development and transfer.”

How to review the correspondence of capacity-building needs to the support provided?



 TRR. 1 Norway: “The ERT recommends that Norway provide transparent information, to the extent possible, on how it has provided capacity-building support that responds to the existing and emerging capacity-building needs identified by non-Annex I Parties in the areas of mitigation, adaptation and technology development and transfer.”



## Capacity Building - Issue 5 – Proposed Review Approach

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As the exact requirement is “shall, to the extent possible” the Party has two options to address this mandatory requirement: either to report the required information or, if it cannot provide this information or can report only partial information, to clearly and concretely explain why this was not “feasible” or “possible”.

If the Party has neither reported the information nor provided explanations for not reporting or partially reporting, then this should lead to a recommendation by the ERT that reflects the language of the reporting requirement (e.g. "The ERT recommends that..., to the extent possible").



## Financial Support – Issue 6

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**Guideline:** According to the BR reporting guidelines the description of the national approach for tracking of provision of financial support “<...> shall include information on indicators and delivery mechanisms used and allocation channels tracked”.

How to review indicators, delivery mechanisms and allocation channels tracked?



TRR. 1 United Kingdom: “The main mechanism for the United Kingdom’s financial support for climate change activities is ICF.... Detailed information is also submitted to the Organisation for Economic Co-operation and Development, using the Rio markers to track the allocation of funds to biodiversity, climate change and desertification. For ICF, the United Kingdom has established a comprehensive reporting framework, consisting of 15 key performance indicators, to track the effects and value for money of the ICF portfolio.... The ERT commends the United Kingdom ...”



## Financial Support – Issue 6 – Proposed Review Approach

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The ERTs should clearly state whether a Party provided this information or not, along with a brief overview. If a Party has not provided textual information but has only filled out the relevant tables ((CTF 7, 7(a), 7(b)), the ERT should acknowledge this and recommend that a textual description be provided as well.



## Technology Transfer – Issue 7

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**Guideline:** The NC reporting guidelines stipulate that “Parties **shall, where feasible,** report activities related to technology transfer, including success and failure stories, using table 6”. The BR reporting guidelines stipulate that “Parties **may** also provide information on success and failure stories”.

How to review success and failure stories with regard to technology transfer in cases where table 6 of the UNFCCC reporting guidelines on NCs is not provided?



TRR. 1 Austria: “Success stories have been reported in the form of factors that led to project success, including a case where a business enterprise from Austria faced insolvency before the end of the project, but the project managed to continue as capacity had already been built with the recipient. The ERT encourages Austria to report this information textually, making reference to the applicable tables, in its next BR.”





## Technology Transfer – Issue 7 – Proposed Review Approach

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The ERT should consider that the requirement to report success and failure stories has been fulfilled when the Party has clearly highlighted in the text and/or the relevant tables the success/failure story(ies) related to **at least one project**. If a Party, in its NC, has provided substantive information in textual format, but not in table 6, the ERT should recommend that the Party improve the transparency of the reported information by filling out table 6 in its next NC. If a Party, in its BR, did not report on success and failure stories, then the ERT should provide an encouragement.



Thank you for your  
attention!

